GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:5617
ANSWERED ON:30.04.2003
SERVICE TAX ON PRE-PAID CARDS
M. JAGANNATH

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the private mobile operators in the country, Airtel in particular, have increased their processing and service tax on Pre-paid Cards from 35%to 50% without any notice to the subscribers; and

(b) if so, the action proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY(SHRIMATI S MAHAJAN)

(a) Sir, Telecom Regulatory Authority of India (TRAI), as per the TRAI act, is responsible for fixation of tariffs for Telecom services in the country. As per information furnished by TRAI, some private operators of Cellular Mobile Telephone Service (CMTS) including, Bharti group of companies which have a brand name of Airtel for providing CMTS, have recently revised their pre-paid tariff schemes. This revision interalia, includes an increase in the processing fee and reduction in call charges, however, no instance have come to notice where the revised tariffs have been implemented without intimation to the subscribers.

(b) Does not arise in view of (a) above.